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STATE OF MONTANA

Eighth Annual Report

OF THE

Industrial Accident Board

For the Twelve Months Ending June 30th

1923

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SAFETY FIRST

Workmen's Compensation Act

In Effect July 1st, 1915, as to Compensation Provision

MEMBERS OF THE BOARD

Jerome G. Locke, Chairman — Geo. P. Porter, State Auditor

Chester C. Davis, Commissioner of Labor

BUREAUS AND BUREAU HEADS

Bureau of Claims.....W. B. McLaughlin.....Secretary of Board
Bureau of Accounts.....T. C. Patrick.....Chief Accountant
Bureau of Safety.....Duncan McRae.....Clerk of Bureau
Bureau of Rehabilitation.....Lloyd Henry.....Rehabilitation Agent

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MISSOULIAN

LETTER OF TRANSMITTAL.

Helena, Montana,
September 15, 1923.

To His Excellency, Joseph M. Dixon,
Governor of the State of Montana.

Sir:

Pursuant to Section 2968, Revised Codes Montana, 1921, we have the honor to transmit herewith our Eighth Annual Report, covering the administration of the Workmen's Compensation Act, Safety Inspection Laws, Boiler Inspection Laws, Stationary Engineers' License Laws, Quartz Mine Inspection Laws, Coal Mine Inspection Laws, Alien and Illiterate Employees' Act, and the Law pertaining to Industrial Rehabilitation, by the Industrial Accident Board for the twelve months ending June 30th, 1923. For the reasons set forth in the Foreword, the report for the year is brief. In the interest of economy, information and data has been condensed to the greatest possible degree.

Respectfully submitted,

INDUSTRIAL ACCIDENT BOARD,

JEROME G. LOCKE, Chairman.
GEORGE P. PORTER.
CHESTER C. DAVIS.

REPORT OF
THE INDUSTRIAL ACCIDENT BOARD
OF THE STATE OF MONTANA

FOREWORD.

Pursuant to statutory requirement that "the Board shall, not later than the first day of October of each year, make a report to the Governor, covering the entire operations and proceedings for the preceding fiscal year, with such suggestions or recommendations as it may deem of value for public information. A reasonable number of such report shall be printed for general distribution," this report is compiled and printed.

There is necessity for economy in all departments of the State Government and this department, particularly, must economize to the last degree, not alone because of the general need for economy, but because the legislative appropriations for the present biennium are so much smaller than they have been in past years, while the volume of work that must be handled by the department is constantly increasing, that every possible cent must be saved in order to avoid a deficiency. For that reason, this report will do no more than give a summary of the volume and status of business before the department and a condensed statement of its finances. The report to be published next year will be considered by the coming Legislative Assembly and will, of necessity, have to be more elaborate and go into greater detail.

ACTIVITIES OF THE BOARD

The department of the Industrial Accident Board has been in existence eight years and was originally created for the purpose of administering the Workmen's Compensation Act and the Safety Inspection Laws which were embodied in the compensation code. Since then, by legislative enactment, many additional duties have been added, until the Board is now charged with the duty of administering the laws pertaining to safety of boilers, hazardous plants, quartz mines, coal mines and elevators, stationary engineers' license laws, steamboat inspection laws, the Alien and Illiterate Employees' Act, and by agreement with the State Board of Education, with all matters pertaining to Civilian Rehabilitation.

The activities and duties of the department have been divided into four bureaus, each in charge of a bureau chief. These have been designated as the Bureau of Claims, under W. B. McLaughlin, Secretary of the Board, the Bureau of Accounts, under T. C. Patrick, Chief Accountant, the Bureau of Safety, under Duncan McRae, Clerk of the Bureau, and the Bureau of Rehabilitation, under Lloyd Henry, Civilian Agent. An average of twenty-one employees is now required to handle the work in the various bureaus. Each bureau head handles and administers the detail work pertaining to the activities of his department, while the Board exercises general supervision and administrative control of all the bureau and passes upon all questions that offer difficulty of solution or that have to do with the policy of the department. The work of each bureau will be covered under a separate head.

BUREAU OF CLAIMS.

Under the Montana Workmen's Compensation Law, three plans for the handling of compensation payments and the making of compensation adjustments are provided.

Plan One provides that the employer may carry his own compensation insurance on the employees in his hire. To do this, he must satisfy the Board as to his solvency and financial responsibility. Under this plan, the employer makes payments to and adjustments with his em-

ployees direct, except in disputed cases where the Board takes jurisdiction and decrees the settlement. The Board, however, checks up and passes on all cases to make certain that proper settlement is made.

Plan Two provides that the employer may carry compensation insurance by filing a policy of coverage written by a recognized insurance company. Such policy and the company writing it must be approved by the Board. Under this plan, the insurance company makes payments and settlements on the same basis and in the same manner as they are made by the employers under Plan One, with the reservation that the Board take jurisdiction in disputed cases. As in Plan One, all cases are checked by the Board to make sure that proper settlement is made.

Plan Three provides that the employer pay his compensation assessments into a trust fund administered by the state. The Board makes all disbursements from the fund direct to injured employees. This plan is the one that has been adopted by about sixty per cent of the employers of the state and is, undoubtedly, the most satisfactory plan to the majority of employers and to practically all employees. Likewise, it has proven to be the cheapest plan to employers.

The Bureau of Claims handles, checks up and makes decision in each accident case. Approximately seventeen accidents occur every working day and in addition to that decisions must be made on many other matters, particularly in passing upon applications for compensation coverage and in decreeing who are and who are not independent contractors. Upward of twenty cases of all kinds must be handled every working day, each one of which requires a decision.

The law provides that appeals may be taken from the decision of the Board to the courts. The department has been especially fortunate in that fewer than a dozen appeals have ever been taken. During the past two years, there have been but two appeals. In one of these, the Board was sustained and the other is still pending.

During the fiscal year 1923, 5,129 accidents were reported. This is an increase of approximately 1,800 above the year 1922, but is still three hundred below the annual average for the eight years since the law became effective. The increase in accidents over last year is, of course, due to the increase in industrial activity and to the larger number of employees covered by the Act.

Needed Changes in Law.

There is a general and marked tendency on the part of all boards and commissions and upon the part of the courts to continually liberalize the administration of Compensation Law. Many classes of injuries that were not considered as accidental injuries or under the coverage of the law when it was first generally adopted by the several states are now accepted. There has been a constant tendency toward more liberal payment for accidental injuries. In nearly all the states, the compensation rate has been raised. In many, the period during which payment may be made has been extended and there has been a general disposition to liberalize in the views as to what constitutes disability. This, of course, has been reflected by increased costs to the employer. His rate for compensation protection has steadily advanced in nearly all states except Montana. In Montana, there has been, as yet, no advance in rates.

That there must sooner or later be such advance is inevitable. The cost to the employer is now cheaper in this state than it is in any other but the benefit to the employee is also lower than the average of other states. There is wide-spread demand for radical changes in the law and some changes should soon be made. The maximum rate of $12.50 per week is inadequate. It should be increased. The law should be so amended that in the case of specific injuries, like amputations, the claimant will be paid for his period of temporary total disability and then paid the specific indemnity provided, after his wounds have healed. There should also be an amendment providing for the settlement of partial disability on the basis of percentage of disability. This system is now used in many cases by the Board since it is the only system under

which a fair settlement can be computed. It should, however, be specifically legalized. Occupational diseases should either be included in the Compensation Law or there should be a separate enactment to care for those who are the victims of silicosis in the mines and lead poisoning in the smelters. The Board is now making a study of this matter and hopes to be possessed of detailed information that will be of value to the next Legislative Assembly. Several other minor amendments to the law could well be made in the interest of efficiency and without changing or impairing any of its general principles.

Detailed Operations.

A condensed statement of the number of cases under each of the three plans is given herein for the fiscal year ending June 30th, 1923. This table gives at a glance the total volume of business transacted through the Bureau of Claims during the past year and shows the classification under which the several cases are segregated. The second table gives identical data for the eight-year period that the Compensation Law has been effective.

STATISTICAL STATEMENT FOR YEAR ENDING JUNE 30, 1923.

	Plan I	Plan II	Plan III	All Plans
Number employers under Act June 30, 1923	72	1,052	1,572	2,696
Number employees under Act June 30, 1923	24,898	11,466	17,491	53,855
Number fatal accidents	52	6	23	81
Number Permanent Total Disability	3	2	1	6
Number Permanent Partial Disability	47	7	22	76
Number Temporary Total Disability	2,773	1,009	1,184	4,966
Total accidents reported	2,875	1,024	1,230	5,129
Number accidents no compensation paid	2,002	814	657	3,473
Total compensation payments	$ 226,214.82	$ 53,991.41	$ 192,583.46	$ 472,789.69
Disbursed for funeral expense	6,035.82	125.00	2,977.25	9,138.07
*Disbursed for medical expense	4,687.62	21,253.65	23,163.30	49,104.57
Disbursed for fatal accidents	91,300.90	11,544.76	54,275.71	157,121.37
Disbursed for Permanent Total Disability	3,927.93	850.00	7,011.75	11,789.68
Disbursed for Permanent Partial Disability	21,139.00	1,857.48	43,851.93	66,848.41
Disbursed for Temporary Total Disability	99,123.55	18,360.52	61,303.52	178,787.59
Total Compensation Payments	$ 226,214.82	$ 53,991.41	$ 192,583.46	$ 472,789.69
Lump Sum Payments fatal cases	$ 81,663.72	$ 2,518.10	$ 27,155.05	$ 111,336.87
Lump Sum Payments non-fatal cases	15,730.50	600.00	33,349.03	49,679.53

*Note: Does not include medical care under hospital contracts.

STATISTICAL STATEMENT FOR EIGHT YEAR PERIOD ENDING JUNE 30, 1923.

	Plan I	Plan II	Plan III	All Plans
Number fatal accidents	723	112	162	997
Number Permanent Total Disability	16	6	10	32
Number Permanent Partial Disability	555	205	214	974
Number Temporary Total Disability	25,910	9,870	5,907	41,687
Total accidents reported	27,204	10,193	6,293	43,690
Number accidents no compensation paid	19,740	7,576	3,143	30,459
Disbursed for funeral expense	$ 51,541.08	$ 6,851.50	$ 13,267.25	$ 71,659.83
*Disbursed for medical expense	27,135.48	114,719.65	92,548.82	234,403.95
Disbursed for fatal accidents	1,299,571.85	160,109.03	241,949.83	1,701,630.71
Disbursed for Permanent Total Disability	49,252.93	14,751.38	28,876.45	92,880.76
Disbursed for Permanent Partial Disability	261,756.74	70,300.18	156,943.77	489,000.69
Disbursed for Temporary Total Disability	662,106.78	180,200.19	301,046.87	1,143,353.84
Total Compensation Payments	$2,351,364.86	$ 546,931.93	$ 834,632.99	$3,732,929.78
Lump Sum Payments fatal cases	$1,180,251.10	$ 86,831.18	$ 148,224.48	$1,415,306.76
Lump Sum Payments non-fatal cases	225,006.85	45,668.06	155,871.70	426,546.61

*Note: Does not include medical care under hospital contracts.

A comparative record of accidents for the eight years during which the law has been effective is given in the following tables:

COMPARATIVE ACCIDENT RECORD FOR EIGHT YEARS.

	1st yr.	2nd yr.	3rd yr.	4th yr.	5th yr.	6th yr.	7th yr.	8th yr.
Fatal accidents	136	307	123	122	94	83	51	81
Totally disabled	2	11	3	1	5	3	3	6
Partially disabled	89	184	185	151	89	124	76	76
Paid disability compensation	1,431	1,461	1,881	1,720	1,681	1,299	1,059	1,493
Return work 14 days	5,143	6,362	3,628	3,481	3,045	2,349	2,179	3,473
Total accidents	6,801	8,325	5,820	5,475	4,914	3,858	3,368	5,129

COMPARATIVE ACCIDENT PERCENTAGE FOR EIGHT YEARS

	1st yr.	2nd yr.	3rd yr.	4th yr.	5th yr.	6th yr.	7th yr.	8th yr.
No. Employers under Act	830	1,518	1,944	1,970	2,376	2,520	2,557	2,696
No. Employees under Act	61,000	68,000	72,000	74,000	75,000	53,600	53,700	53,900
Percent injured	11	12	8	7	6	7	6	9.5
Percent compensable	2.66	2.17	2.50	2.12	2.20	2.81	2.20	2.87

Medical Costs and Compensation Payments.

The Act provides that the employer, the insurer or the Board, as the case may be, shall defray the cost of reasonable medical, surgical and hospital service furnished during the first two weeks following injury, in an amount not exceeding one hundred dollars. The liability for payment of balance of service required rests upon the injured employee. In cases where the employer and employees have entered into hospital contracts, the above described provision of law is waived and the hospital contract must furnish unlimited medical, hospital and surgical service as well as service for sickness. Hospital contracts are very much to the advantage of employees, although they have to pay hospital fees for the maintenance of such contracts. However, the greater percentage of employers do not have a sufficient number of workmen to make the obtaining of a hospital contract possible and medical service is provided as above described.

In many cases, one hundred dollars is totally inadequate to cover the service that the employee requires and the period of two weeks is also too short to permit recovery from anything except minor accidents. The period should be extended to six months and the amount of payments that is authorized increased, under proper safeguards.

During the past eight years, the doctors have set their own prices for medical, hospital and surgical service and this practice has led to a dangerous condition. The great majority of the leading doctors in the state have submitted bills that were not unreasonable. There has, however, been a considerable number of doctors who evidently labored under the impression that it was legitimate to obtain all the traffic would bear. To protect employers, who furnish the funds from which the first two weeks' medical service is paid and to protect employees who must pay for all service they receive after the first two weeks, the Board was obliged to initiate steps towards the adoption of a maximum fee schedule. Such schedule became effective on August 15th, 1923, so that the result of its adoption does not affect this report. Possibly, there will be some disposition on the part of doctors to contest the Board's action in promulgating such a schedule and the matter may even go into the courts. However, in view of the fact that every other western state has already adopted a fee schedule and in view of the fact that the schedule adopted for Montana is a little higher than the average of the prices fixed in the other western states, the Board has but little fear that its action will be disapproved by the courts or that the present fee schedule cannot be made actually effective.

The following table shows the amount of expenditure for medical, hospital and surgical service under Plan Three for each of the eight years and the average cost per case upon which payment has been made.

Fiscal Year	Bills Paid	Total Expenditures	Average per case
1915-1916	63	$ 1,415.00	$22.46
1916-1917	195	3,886.55	19.93
1917-1918	293	6,999.35	23.88
1918-1919	234	5,894.85	25.19
1919-1920	558	12,052.40	21.60
1920-1921	729	17,676.75	24.25
1921-1922	709	21,460.62	30.27
1922-1923	722	23,163.30	32.08

The effect of increasing liberality in compensation payment is not apparent in death cases or in cases where there is payment for permanent total disability because the law designates the exact payment for these cases, but it is well illustrated in a comparison of the amounts paid out for temporary total disability and permanent partial disability. The following table shows the average that has been paid in compensation for each case where the disability was temporary total or permanent partial for each of the past eight years, under Plan Three.

Fiscal Year	Number Compensation Paid except Permanent Total and Fatal	Total Compensation Paid	Average per case
1915-1916	173	$ 4,888.35	$28.26
1916-1917	507	16,032.16	31.62
1917-1918	653	30,552.34	46.79
1918-1919	624	45,682.05	73.21
1919-1920	978	68,575.22	70.12*
1920-1921	1,032	94,394.57	91.47
1921-1922	948	92,710.50	97.80
1922-1923	1,206	105,155.45	86.37

*Weekly compensation rate increased from $10.00 to $12.50 on March 4th, 1919.

Notwithstanding the increase in maximum rates, as well as increased liberality in administration, the Montana Board has been able to add a little each year to the reserve fund on hand for Plan Three without increasing the rate of assessment on employers. The point has now been reached where no marked increase in maximum compensation rate can be made or where the liberality of payment under the present rate cannot be greatly increased without impairing the policy under which the reserve fund has been continually built up and strengthened.

BUREAU OF ACCOUNTS.

Mindful of the need for the strictest economy, consistent with the functions to be performed by the department, the Board, during the past fiscal year, has made no expenditure that was not absolutely required. The cost of printing and distributing the annual report was held down to about four hundred dollars and the use of other printed matter has been curtailed to the last possible degree. All inspectors and other employees of the department have been continually cautioned and instructed to incur no unnecessary expense and all expense accounts have been scrutinized closely. One additional boiler inspector was added at the beginning of the fiscal year, which increased the cost of operation of the department about five thousand dollars above the preceding year. Another increase in cost comes from the fact that the department is now charged with the administration of the work of industrial rehabilitation; while the salaries for the workers in the Bureau of Industrial Rehabilitation and the money that is actually spent upon trainees comes from a separate appropriation, a certain part of the overhead expense, such as telephones, telegrams, stationery, printing, and so forth, is borne by the appropriation for the Board. This has added several hundred dollars to the costs.

The following table gives the cost of operating the department, exclusive of the salaries paid the employees in the Bureau of Rehabilitation, and the funds expended on trainees for the past six years.

Fiscal Year	Total Cost of Department	Income from Inspections	Net Cost of Departments
1917-1918	$52,770.15	$28,732.75	$24,037.40
1918-1919	56,477.35	28,944.67	27,532.68
1919-1920	58,764.61	28,011.97	30,752.64
1920-1921	61,550.04	26,460.93	35,089.11
1921-1922	48,853.81	27,214.76	21,639.05
1922-1923	54,357.30	28,498.49	25,858.81

The following table shows the comparison of actual costs of operating the department for each of the last six years, contrasted with the legislative appropriation made for the year. It will be noted that the appropriation for the fiscal year 1922-1923 was only $48,146 and that the deficiency was $6,211.30. A portion of this deficiency was taken up by the balance of $4,292.19 remaining on hand at the close of the fiscal year 1921-1922, but there still remains a deficiency of $1,919.11. At the time the appropriation of $48,146.00 was made, the Board protested and pointed out to the legislative committee that it was humanly impossible to cut the cost of the department to a point lower than it has ever been and still maintain all the activities that are now required by law.

Fiscal Year	Cost of Department	Legislative Appropriation	Surplus or Deficiency
1917-1918	$52,770.15	$53,800.00	$1,029.85*
1918-1919	56,477.35	53,800.00	2,677.35**
1919-1920	58,764.61	55,800.00	2,964.61**
1920-1921	61,550.00	55,800.00	5,750.04**
1921-1922	48,853.81	53,146.00	4,292.19*
1922-1923	54,357.30	48,146.00	6,211.30**

*Surplus. **Deficiency.

The following statements show the financial condition of the department at the close of the fiscal year. Foot notes explaining each item appear following the statement. While the total cash and invested funds of the department is $434,123.63, the known liabilities (the amount it would take to pay out on all compensation cases now pending) is approximately $160,000.00, so that the fund for the payment of compensation now constitutes a reserve of approximately $275,000.00 against any great calamity that may occur.

FINANCIAL STATEMENT AS OF JUNE 30, 1923.

ASSETS:

CASH FUNDS:			
Industrial Accident Fund	$118,705.21		
Industrial Reserve Fund	38,995.50		
Less Unpaid Warrants	59,324.60		
Net Cash Funds		$ 98,376.11	
INVESTED FUNDS:			
Registered Warrants	$ 27,427.25		
Industrial Reserve Fund	126,547.06		
Industrial Accident Fund	181,773.21		
Net Invested Funds		$335,747.52	
Total Cash and Invested Funds			$434,123.63
Administrative Funds			13,985.19
Trustee Account			142,045.04
Administrative Expense			54,357.30
			$644,511.16

LIABILITIES:

Premium Income		$1,190,178.31	
Less Compensation Paid	$834,632.99		
Net Premium Income			$355,545.32
Administrative Income			68,342.49
Bonds in Trust			142,045.04
Special Deposits			18,339.23
Interest Collected			60,239.08
			$644,511.16

ASSETS

INDUSTRIAL ACCIDENT FUND, shown above as $118,705.21 cash and $181,773.21 invested in securities, is made up from all assessments on payroll and interest collected. All payments for compensation and refunds are made directly from this fund. The main fund consists of some 127 sub industry funds. The cash on hand is carried as a deposit with the State Treasurer who pays interest thereon at the rate of 2½ per cent.

INDUSTRIAL RESERVE FUND, shown above as $38,995.50 cash and $126,547.06 invested in securities, is made up of a certain per cent of premiums collected into the Industrial Accident Funds and then transferred to the Reserve Fund to take care of the accrued disabilities or the accident cases upon which compensation is still payable. All interest collections from the State Treasurer and from bonds and warrants held for investment is first credited to the Industrial Accident Fund, but periodically transferred to the Reserve Fund. This Reserve Fund is a little more than sufficient to meet all the accrued disabilities.

LESS UNPAID WARRANTS: This represents the total amount of warrants issued by the Board to injured employees, which have not been redeemed by the State Treasurer at the time of statement and consequently must be deducted from the gross cash funds to show the net amount of cash on hand.

REGISTERED WARRANTS: These are warrants taken in payment of premiums from counties, cities and school districts and are held by the Board until called and redeemed by the various treasurers. They all pay six per cent interest.

ADMINISTRATIVE FUND: This fund is made up of collections from the Bureau of Safety and comprises inspection fees for hazardous plants, boilers, quartz and coal mines. A portion of the expense of administering the Board is paid from this fund by legislative appropriation.

TRUSTEE ACCOUNT: This account is carried for the purpose of showing the aggregate amount of securities deposited by employers and held by the Board as a guarantee that they will make compensation payment when operating under Plan One of the Act.

ADMINISTRATIVE EXPENSE: This is the amount expended for the maintenance and operation of the department from the beginning of the fiscal year.

LIABILITIES

PREMIUM INCOME: This account shows the net amount of premium income for the eight year period. There is included in this statement only the premiums that have been collected. Assessments are not credited on the books until collection has been made.

LESS COMPENSATION PAID: This is the amount of compensation that has been paid out in the eight year period.

NET PREMIUM INCOME is the net balance on hand after deducting the compensation paid from the total premium income.

ADMINISTRATIVE INCOME is the gross amount collected from inspection fees of all kinds.

BONDS IN TRUST: The same as Trustee Account under assets.

SPECIAL DEPOSITS: These are deposits required by the Board from certain employers operating under Plan Three to guarantee the payment of any premiums that may become due from them.

INTEREST COLLECTED: This is the total amount of interest collected on investments less accrued interest paid on the same at the time of purchase.

Investments.

It is the policy of the Board to keep about $50,000.00 in cash on hand as a fund to meet current compensation payments and to take care of the liabilities that ordinarily accrue. The balance of the Industrial Accident Fund and the Industrial Reserve Fund is invested in securities consisting of Improvement District Warrants, City, County or State Bonds, School Bonds, Government Bonds or United States Treasury Notes. During the past year, all securities, except State and Federal securities, were purchased at a discount, the purchase price averaging approximately ninety-seven per cent of par value. The average earning on securities now held by the Board is about seven per cent, counting the discount as a part of the interest earning. Discounts are not credited as earnings, however, until the maturity is retired and its face value collected.

A special Senate committee of the last Legislature made what it alleged to be an investigation of the investments that had been made by the Board and at that time furnished the anti-administration newspapers with a great deal of misinformation on these investments and the con-

dition of the fund. The basis of the political attack and of the misinformation that was furnished the newspapers had to do with two transactions for the purchase of securities. The Board had purchased, through one H. J. Reesburg, about thirty thousand dollars' worth of Special Improvement District Bonds of the Town of Whitefish at ninety-seven and accrued interest. These bonds, which run eight years, were about four years old at the time of purchase, and eighteen months prior to that time some of them had been sold at eighty-one or eighty-two per cent of par. When they sold at this price, Liberty Bonds were selling at eighty-three. The special committee alleged that since these bonds at one time sold at eighty-one or eighty-two and since the Board had paid ninety-seven for them that there must have been something irregular in the transaction. The other transaction was the purchase of approximately twenty thousand dollars' worth of Grass Range Special Improvement District Bonds which the Board bought at ninety-five and accrued interest. Some of these bonds had sold two years previously for around eighty-one or eighty-two and the special committee alleged that there must have been something irregular in that transaction. About the time the investigation was concluded and after the special committee had submitted a report to the Senate intimating, but not openly charging, that there were irregularities in the transactions, that the securiies were not worth the purchase price and that the Board had permitted H. J. Reesburg to use State money for the original purchase, the Board was offered the purchase price plus accrued interest for immediate delivery. It declined to make a sale on the ground that it could not re-invest the money to equally good advantage.

As a matter of fact, the Board believes that every security held by it, with the exception of one Irrigation District Bond, which was acquired several years ago at a cost of about one thousand dollars, is not only worth the percentage of par value that was originally paid for it, but that it will be retired at full face value and accrued interest on the redemption date. The Irrigation District Bond, which has been held for several years, should, undoubtedly, be written off as a loss.

The following table shows the income from premiums, the income from interests and discounts, the compensation paid and the growth of the reserve funds on hand during the past eight years.

Fiscal Year	Premium Income	Interest and Discount Income	Total Income	Compensation Paid	Added to Reserve
1915-1916	$ 29,058.86	None	$ 29,058.86	$ 6,303.35	$ 22,755.51
1916-1917	43,343.84	$ 412.02	43,755.86	34,587.17	9,168.69
1917-1918	132,277.58	1,066.03	133,343.61	55,226.39	78,107.32
1918-1919	181,709.35	2,124.27	183,833.62	68,708.45	115,125.17
1919-1920	225,507.86	7,702.38	233,210.24	135,002.94	98,207.30
1920-1921	202,981.07	13,146.03	216,127.10	167,694.40	48,432.70
1921-1922	186,383.56	16,775.82	200,159.38	174,516.93	28,642.45
1922-1923	188,916.19	19,012.53	207,928.72	192,583.40	15,345.32

An analysis of the above table shows that the yearly additions of the total volume of the reserve funds on hand has been decreasing since 1919. The accrued disabilities, that is, the amount of compensation payment required to settle up all outstanding cases, is approximately the same now as it was then, or about $160,000.00. There are several reasons why the additions to the reserve are decreasing year by year. The rate to employers has remained the same, but in 1918, the Legislature increased the maximum compensation rate from $10.00 to $12.50 per week. It also provided for payment during the first two weeks in case the disability was longer than six weeks. Both of these amendments increased the drain on the funds. As heretofore stated, there is a constantly increasing liability in the administration of the Act. Many classes of cases are now accepted, not only by this Board, but by all boards and commissions, that were formerly denied. This furnishes an additional increase. The cost of medical service, not only in the aggregate, but per case, has gone up year after year and has constantly increased the drain. During the past four years, the percentage of loss in collection

has increased, due to the large number of business failures and bankruptcies. Last, but not least, the Board has not had the funds with which to carry educational campaigns on "Safety First" and there has been a considerable increase in the percentage of accidents occurring. This has added another drain to the fund.

In view of these conditions, if the Board is to obviate the necessity of raising the rates on all employers, it will be obliged to administer the payment of compensation with the utmost conservatism, to insist and, if necessary, force collection on all possible delinquent accounts and to slightly increase the rates on several classifications of industry for which the experience tables show a deficit. By inaugurating and carrying out such a policy, the Board hopes it will be possible to avoid any general increase in rates until such time as the Legislature increases the weekly compensation payments, when an increase in rates to employers will be inevitable.

Losses in Collections.

The following table shows the losses that have been sustained in the collection of premium assessments under Plan Three by calendar years. Those accounts which the Board is still trying to collect by attachment of property or otherwise are carried in a "Suspense File" and are recoverable in part.

Calendar Year	Collections	Losses	Per Cent Loss
1915	$ 9,273.86	$.....	.....
1916	39,447.38	90.00	.0023
1917	75,094.37	150.00	.002
1918	149,730.91	250.00	.0017
1919	186,939.10	365.00	.0019
1920	253,826.62	1,597.63	.0063
1921	171,328.13	568.29	.0033
1922	180,860.95	1,099.66	.0061
1923	123,676.99	151.53	.0012*
Total	$1,190,178.31	$ 4,272.11	.0035
Suspense File		7,842.67	
Total not collected		$12,114.78	.0102

*For one-half calendar year.

BUREAU OF SAFETY.

The several laws administered by the Board requires at least an annual inspection of each quartz mine, coal mine, boiler and hazardous plant in the state. The safety of employees makes it imperative that the larger mines, both coal and quartz, be inspected at least three or four times each year. The last Legislature also passed laws requiring that the Board inspect all freight and passenger elevators and all steamboats. The Legislature failed, however, to include elevators in the Compensation Law as hazardous and it also failed to provide any means of obtaining a trained inspector for the inspection of steamboats and the examining of captains and pilots for license. Moreover, it failed to provide any money with which to carry out these activities.

Under the law, the Board is allowed not to exceed four inspectors of boilers and hazardous plants, two quartz mine inspectors and one coal mine inspector. One quartz mine inspector and one coal mine inspector are sufficient to handle the work of mine and mill inspection. Four boiler and hazardous plant inspectors cannot possibly cover all the inspections that the law requires of them, to say nothing of attempting to include elevator inspection and steamboat inspection, for the latter of which the boiler and hazardous plant inspectors are untrained and entirely unfitted.

In view of these conditions, the Board has attempted to so administer the Bureau of Safety that the greatest good may be accomplished. No attempt has been made to inspect elevators because it is doubtful whether the inspection of these is legally required until they have been

included in the Compensation Law as hazardous. An attempt was made to inspect steamboats and water craft, of which there are about one hundred fifty in the state, but it soon became apparent that the boiler inspectors could not make proper inspection of these, since they know nothing of steamboats or navigation. An attempt has been made to properly inspect all of the important hazardous plants and all boilers that are in continuous use and that offer danger to employees working around them. Practically all mines, both quartz and coal, were inspected once and all of the larger mines were inspected three or four times during the year.

The following table shows in detail the work that was accomplished by each inspector, the collections that were made as the result of his work, the cost thereof, his expense and net profit or loss. It will be noted that the coal mine inspector and the quartz mine inspector both operated at a heavy loss to the department, the total monetary loss on the two being $6,371.98. The total amount of monetary loss on these two inspectors since March 1st, 1917, has been $45,062.53. The loss arises from the fact that the fees fixed by law for the inspection of mines are entirely inadequate to meet the cost of the inspection. The inspection fees should be increased to three or four times the present rate.

WORK OF SAFETY BUREAU FOR PAST YEAR

Inspector	Licenses Issued	Boiler Inspections	Safety Inspections	Cash Collections	Salary and Expense	Profit+ Loss—	Uncollected Accounts	Gross Earnings
Floyd Johnson	342	858	30	$ 5,493.30	$ 3,756.03	$1,737.29+	$ 70.00	$ 5,563.30
J. H. Bondy	565	1,358	107	9,193.01	4,394.44	4,798.57+	125.00	9,318.01
J. R. Hartley	321	548	48	4,059.34	3,453.11	606.23+	110.00	4,169.34
John Taylor	202	699	90	4,525.02	4,631.00	106.01—	365.00	4,890.02
George Griffin			157	866.87	4,141.80	3,274.93—	55.00	921.87
Wm. Maxwell			264	699.95	3,797.00	3,097.05—	40.00	739.95
Office	3,150			3,661.00	3,124.79	536.21+		3,661.00
	4,580	3,463	696	$28,498.49	$27,298.20	$1,200.29+	$765.00	$29,263.49

WORK AND COLLECTIONS SAFETY BUREAU—SIX YEARS

The following table shows the detailed operations of the Bureau of Safety for each of the past six years:

Fiscal Year	Licenses Issued	Boilers Inspected	Plants Inspected	Fees Collected	Expense	Profit+ Loss—
1917-1918	4,986	2,358	262	$28,732.75	$27,831.15	$ 901.60+
1918-1919	4,698	2,522	209	28,944.67	26,891.20	2,053.47+
1919-1920	4,724	2,501	76	28,011.97	27,746.01	265.96+
1920-1921	4,564	2,438	111	26,460.93	28,831.33	2,370.40—
1921-1922	4,232	2,121	280	27,214.76	25,094.00	2,120.76+
1922-1923	4,580	3,463	696	28,498.49	27,298.20	1,200.29+
Average six years	4,496	2,567	272	$27,977.26	$27,281.98	$ 691.94+

The laws under which the various inspectors of the Bureau of Safety operate are not very satisfactory. These are a patchwork of enactments and amendments made from time to time and are more or less vague and conflicting. The coal mining code should be amended in some particulars to make it more readily workable and to bring it into conformity with modern-day practices in coal mining. The quartz mining code is really no code at all and should be entirely rewritten with the idea of providing greater safety for workers in hard rock mines. Steps should also be taken toward the adoption of standard safety codes for various classes of hazardous plants. This has been done in practically every other state, while in Montana, the inspectors of such plants have been making inspections without any very adequate idea as to what constitutes a reasonably safe plant or as to what safeguards and protections are really required by the employees in such plants.

COAL MINE INSPECTOR'S REPORT.

The general matter contained in the annual report of the State Coal Mine Inspector to the Industrial Accident Board is incorporated herein and follows. More detailed matter contained in his report is on file with the records of the Board.

August 6th, 1923.

Industrial Accident Board,
Helena, Montana.

Gentlemen:

I have the honor to present herewith my annual report for the fifth year as state coal mine inspector and for the fiscal year ending June 30th, 1923. Again I am compelled to report a rather poor year for the coal trade in our state, but notwithstanding this, there is a slight increase of production over the previous year.

The first two months of the year were affected by the general coal strike, which ended the latter part of August, 1922, but so demoralized were some of the mines by reason of the shut-down that it took considerable time to bring the mines up to their normal production.

Labor Conditions.

With the exception of the general strike at the beginning of the year, labor troubles have been few and far between, as but few mines were troubled with local strikes. During the general strike, a large number of small mines continued to operate, but their production was so small that the markets were not much affected. However, coal was supplied to many localities that otherwise might have suffered for the lack of fuel.

In view of the fact that the coal mines did so poorly during the past year, many miners were out of work and were unable to secure employment and were thus idle nearly all the year, while a number sought and obtained work at other lines of employment and were thus enabled to support their dependents. As a general proposition, miners are loth to engage in other lines of work and will hang around the coal mines for months in the hope of securing employment.

First Aid Work.

Very few, if any, of the coal mines in the state have done anything in the way of first aid work during the past year. It is to be regretted that operating companies do not take more interest in this matter, for it is the opinion of the writer that money expended along this line brings good returns. Since a life saved means much to a corporation, and its loss is a heavy toll on the industry, I am fully persuaded that if a part of the money paid out in the form of compensation was used in safety first and first aid work, the results would be very gratifying both from a monetary and humanitarian standpoint.

I would also urge the men in and around the coal mines of our state to take more interest in this line of work, for it means more to them than it does to their employers. Lives that are lost can never be restored, and compensation, even though liberal, can never compensate for the loss of valuable lives, and the number of disabled men in the various coal camps is enough to cause grave concern, as it seems hard to rehabilitate many of the sufferers for other lines of work.

Fatal Accidents.

We have had a very bad year along this line, sixteen mine workers having been killed during the year as compared with only seven the year previous. This is a fearful toll on the industry, and an irreparable loss to the families of the unfortunate men. As usual, we have to report a large number of these accidents were of a preventable nature, and

might have been avoided by the use of greater caution on the part of the unfortunate men, this in spite of the fact that the writer is continually urging upon the mine workers that personal safety ought to be the first consideration in all lines of work, and that nothing can compensate for the loss of man power. In some few cases, I am sorry to say, the officials of some of the companies have been guilty of contributory negligence. To these, I would say that the saving of life and limb is of more importance than the drawing of dividends.

Again we are fortunate in that we have but few mines in Montana that generate much fire damp, and our state has been free from those dreadful calamities that periodically occur in coal mining regions, and yet we have some coal mines in our state where enough of this dangerous gas is given off to warrant the closest attention on the part of mine officials and workmen to prevent such accidents.

Examinations.

In accordance with the provisions of the coal mining code of Montana, examinations were held in Billings and Great Falls for fire losses and mine foremen, but no candidates for examination for State Coal Mine Inspector appeared before the Board. At Billings, the following persons appeared, were examined, passed the required grade and were given certificates:

Alex McDonald	For Mine Foreman
Ed. Cunningham	For Mine Foreman
John Hannah	For Mine Foreman
John Anderson	For Mine Foreman
Frank Brown	For Mine Foreman
William Evans	For Mine Foreman
D. J. McDougall	For Mine Foreman

Gilbert Gildroy and E. Hennebry were granted lieu certificates upon presenting mine foreman certificates from the State of Wyoming.

At Great Falls, four candidates appeared for examination. Of these, three were successful. The following were granted certificates:

Dave Sutherland	For Mine Foreman
D. J. Meagher, Jr.	For Mine Foreman
Steve Fontilla	For Mine Foreman

In connection with these examinations, I would urge younger men in the coal industry to give more attention to mining problems, for an education along the lines of coal mining goes a long way in rendering our mines safer, and modern coal mining requires a greater knowledge of the questions entering into the industry than ever before. Increased intelligence in coal mining as in all other lines of industry, will tend to save lives and will better conserve our coal resources.

There are an increasing number of men holding certificates in our state for coal mining positions and it ought not to be necessary for employers of labor to ask permits for prospective mine officials while local men remain unemployed at such jobs.

The following are the number of men employed in and around the coal mines of Montana, and the tons of coal produced by years according to figures compiled by the coal mine inspectors since the establishment of the department in 1901.

Years	Men Employed	Production in tons	Value
1901	2,158	1,442,569	$.....
1902	1,938	1,502,115	.....
1903	2,418	1,514,538	.....
1904	1,813	1,471,594	.....
1905	2,289	1,743,771	.....
1906	2,309	1,502,200	.....
1907	3,229	2,030,564	.....
1908	3,642	1,978,347	.....
1909	3,854	2,541,697	.....
1910	4,117	2,970,246	.....
1911	3,776	2,913,406	.....
1912	3,598	3,142,799	.....
1913	3,768	3,665,712	5,611,079
1914	3,660	2,938,671	4,714,023
1915	3,399	2,967,054	4,285,146
1916	3,834	3,688,307	5,899,353
1917	3,987 (8 months)	2,903,926	5,180,801
1918	4,736	4,514,414	9,525,386
1919	4,434	4,381,840	9,717,806
1920	4,108	3,755,195	10,393,908
1921	4,300	3,392,031	9,365,230
1922	4,431	2,818,654	8,659,192
1923	4,097	3,140,837	9,903,625

Summary.

Mines reporting	61
Machine men employed	169
Loaders employed	930
Miners employed	1,364
Inside day men employed	1,041
Outside day men employed	593
Total number of men employed	4,097
Total number of tons of coal produced	3,140,837
Value at mines	$9,903,625
Tons of coal produced per life lost	196,302
No. of men employed per fatal accident	256
Number killed per thousand men employed	3.9%
Number of kegs of powder used	78,399
Pounds of dynamite used	49,339
Tons of coal mined by machines	1,443,008
Tons of coal mined by hand	1,697,828
Per cent of coal mined by hand	54%
Per cent of coal mined by machines	46%
Number of lives lost	16
Average days worked during year	181

All of the large operators reported but many of the small mines did not. The production and the days worked of the latter were estimated. My estimates are based upon data secured during my regular examination.

In conclusion, I desire to thank the Chairman of the Industrial Accident Board, the Secretary of the same body, the Clerk of the Bureau of Safety, and all others who have, in any way, helped to carry forward the work of this department.

Respectfully submitted,

(Signed) GEORGE N. GRIFFIN,

State Coal Mine Inspector.

QUARTZ MINE INSPECTOR'S REPORT.

The general matter contained in the annual report of the State Quartz Mine Inspector, to the Industrial Accident Board, is incorporated herein and follows. More detailed matter contained in his report is on file with the Board.

State Industrial Accident Board,
Helena, Montana.

Gentlemen:

As per your request, I am privileged to place before your honorable board a brief summary of mining throughout the State of Montana and

what I have accomplished in the discharge of my official duties during the fiscal year beginning July 1st, 1922, and ending June 30th, 1923, constituting the eighth annual report of my department.

I regret the fact that I am not favored with the opportunity of furnishing your Board with an elaborate and complete history of mines and mining operations, both from a geological and practical standpoint, summarizing the present and future possibilities of the various mining districts, accompanied by cuts and illustrations as has been done by my predecessors in office. This for the reason that your honorable Chairman, Jerome G. Locke, advises me to make my report as short and condensed as possible, owing to the policy of retrenchment and economy which has been adopted by your Board.

Many small producers have been operating where silver was prevalent during the life of the market under the regulations of the Pitman Act, but at the expiration of which necessitated their discontinuance, thus affecting many districts that prior to that time were in a somewhat prosperous condiion. I found the task of visiting every individual or company operating throughout the state an impossibility, as so many of the operations are trivial and so remote from transportation facilities that doing so would entail a great deal of time and an enormous added expense to the state, and would result in neglect or inattention to the larger and more hazardous operators employing a greater number of men.

The following tabulation for the mineral output of Montana, while credited to the calendar year 1922 rather than our fiscal year, covers and in all probability will meet the requirements you made of me.

The subjoined information is taken from advance figures of the Department Interior, by C. N. Geary, Geological Survey:

County	Number Producers	Ore treated Short tons	Gold (a) Fine ozs.	Silver (a) Fine ozs.	Copper Pounds	Lead Pounds	Total Value
Beaverhead	16	22,373	996.96	136,244	206,741	669,342	$ 221,577
Broadwater	17	8,791	1,615.97	6,966	4,587	46,512	43,548
Cascade	18	19,713	368.28	586,967	56	1,550,876	679,886
Deer Lodge	9	37,673	2,358.38	203,957	2,677	23,759	254,652
Fergus	10	5,075	1,444.96	2,957	.....	.....	32,827
Gallatin	1	.....	1.31	.....	.....	.....	27
Granite	33	24,265	3,368.40	654,289	29,603	531,485	821,236*
Jefferson	56	64,216	6,993.28	175,487	77,124	577,703	362,454
Judith Basin	8	15,107	160.31	94,394	.....	1,949,428	204,926
Lewis & Clark	50	28,175	12,349.12	30,625	9,430	90,023	292,128
Lincoln	3	63,379	509.05	100,335	.....	3,539,539	305,533
Madison	55	21,543	491.52	45,001	30,849	372,658	286,541
Meagher	6	64	118.81	149	5,342	.....	3,326
Mineral	11	203	262.72	8,029	.....	99,525	18,934
Missoula	7	126	142.61	298	637	17,441	4,291
Park	6	36,921	7,853.82	2,493	.....	33,962	166,714
Phillips	1	26,400	411.99	7,733	.....	.....	78,265
Powell	22	736	1,359.39	14,572	363	117,022	49,158
Ravalli	3	2	31.06	72	39	.....	719
Sanders	4	54	3.68	1,496	12,591	306	3,289
Silver Bow	56	4,010,759	26,303.71	10,395,880	165,374,403	20,139,969	41,095,544**
Sweet Grass	1	3	.29	207	.....	2,929	374
Total 1922	393	4,385,878	80,145.62	12,468,151	165,754,442	29,767,479	$44,925,949b
Total 1921	445	1,324,801	71,631.91	6,558,713	45,098,730	20,366,917	16,324,521c

(a) Includes placer production. (b) Average value of metals: gold, $20.671835 per ounce; silver, $1.00 per ounce; copper, $0.135 per pound; lead, $0.055 per pound; zinc, $0.057 per pound. (c) Average value of metals: gold, $20.671835 per ounce; silver, $1.00 per ounce; copper, $0.129 per pound; lead, $0.045 per pound; zinc, $0.05 per pound. (*) Includes 1,124,335 pounds zinc. (**) Includes 117,941,666 pounds zinc.

FATAL ACCIDENTS AND CAUSES THEREOF.
From July 1, 1922, to June 30, 1923.

Falling ground	19
Hit by posts in manway	1
Drowning in Reverbatory slag flume	1
Electrocuted	3
Run over by ore train	1
Riding on cage with steel	1
Hitting head on chute while driving motor	1
Struck by ore cars	1
Fainting, falling and breaking neck	1
Caught by running gob	1
Walking into unprotected blasts	1
Falls down shaft	3
Falls from trestles	1
Falls in chutes	2
Falls from landing in acid plant	1
Falls from crusher plant	1
Killed on cage	1
Struck by debris by cage going into shieve	1
Suffocated in calcine bin	1
Caught in tailing dump	1
Falls from ladders	1
Total	44

The above fatalities exceed by 17 in number those of the fiscal year ending June 30th, 1922, which is accountable, in a measure, to the resumption of many mines long idle, necessitating the employment of almost double the number of men working, many of whom lacked the skill and experience of the old-time miner, a class of men difficult to obtain at this time.

Of the 44 fatalities, 34 occurred in the Butte district, the remainder throughout different parts of the state.

ACCIDENTS INVESTIGATED AND INSPECTIONS MADE.

Number of fatalities personally investigated	42
Number of coroner's inquests attended officially	31
Number of accidents which may have terminated in fatalities and receiving a close investigation by me at the time of their occurrence	29
Properties consisting of mines, mills and smelters fully inspected	163

Many of the properties were visited by me on several occasions, in answer to complaints and for other reasons. The complaints were, in many instances, without foundation, while some were of merit, causing recommendations to be made by me and which were in almost every instance concurred in.

RECOMMENDATIONS MADE ON INSPECTION TOURS.

Housing gears	23
Enclosing with guard rails or housing dry shafts	3
Installation of mine signals on levels	8
Safe storage for powder	8
Fire doors for portals of tunnels	2
Grizzlies for chutes	Many
Guard rails	Many
Chains, guard rails or gates for shaft-openings	6
Long fuses to be used when blasting large rounds	Many
Extra outlets for mines	2
Care and proper barring in securing ground	Many

Also many others of minor importance.

Where opportunity presented itself, I revisited many places to note if any heed were given the more important recommendations made and found that in almost every instance they were complied with.

The co-operation between the various companies throughout the state and myself in accident prevention was exceedingly satisfactory and the courteous treatment I received from operators, both large and small, is devoid of any criticism, with a few exceptions.

During the period covered by this report, I received 206 communications from all parts of the world, 190 of which I answered, giving the desired information as far as I was able from knowledge at hand and derived from other available sources. I have in many instances strongly

recommended the use of the Burrell Gas Mask around mills, smelters, acid and arsenic plants where dust and poisonous gas is liable to result in occupational diseases, or to be used in rescue work where fires are liable to occur and which might result in a saving of life.

In conclusion, I desire to say that I am very thankful for, and appreciate, the excellent co-operation and ever-willing assistance I have received from your honorable Chairman, Jerome G. Locke, and Mr. Duncan McRae, Chief Clerk of the Safety Bureau.

Respectfully submitted,

WILLIAM MAXWELL,
State Mine Inspector.

INDUSTRIAL REHABILITATION.

The Sixty-sixth Federal Congress passed "An Act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment." The bill was approved by the President on June 2nd, 1920. The Act made appropriation of $750,000.00 for the fiscal year ending June 30, 1921, and one million dollars for each of the three following fiscal years, under the provision that the sum should be allotted to the states on basis of population and with the added proviso that no state should receive less than $5,000.00 in any fiscal year.

The money was made available under condition that for each dollar of Federal money expended, at least an equal amount of state money should be expended. The money can only be used within limits that have been laid down by the Federal Board of Vocational Education and on cases which are approved by such Board. The law also provides that in order to secure the benefits of the appropriations, the State shall, "through the legislative authority thereof: (1) accept the provisions of this Act; (2) empower and direct the board designated or created as the State Board for Vocational Education to co-operate with Federal Board for Vocational Education in the administration of the provisions of the Act; (3) provide that a plan of co-operation be formulated between the Industrial Accident Board and the State Board of Vocational Education; (4) provide for the supervision and support of the courses of vocational rehabilitation to be provided by the State Board in carrying out the provisions of this Act; and (5) appoint as custodian for said appropriations its state treasurer."

The Seventeenth Legislative Assembly, by passage of an act which was approved on March 5th, 1921, accepted the benefit of the Federal Law and made application for its share of the appropriation made thereunder. The Legislative Act designated the State Board for Vocational Education to co-operate with the Federal Board for Vocational Education in the administration of the work, and provided further that the Industrial Accident Board should co-operate with the State Board in the formulation of a plan of activity. The Legislature appropriated $10,000.00 for each of the fiscal years ending June 30, 1922, and 1923, for the work. Obedient to the Legislative Act, the work was organized and started at the beginning of the fiscal year 1921-1922.

Transfer of Bureau.

For the first few months, the work of industrial rehabilitation was under the dierct supervision of the State Board of Vocational Education and its personnel was quartered in the office of the Superintendent of Public Instruction. A few months' experience demonstrated that the work of industrial rehabilitation cannot be satisfactorily administered in connection with the work of vocational education. The work is not altogether educational in character and cannot be suitably carried on as one of the activities of the Department of Education. By consent of the State Superintendent of Public Instruction, the Board of Education, the Board of Vocational Education and the Industrial Accident Board the

activity was moved over to the Industrial Accident Board and became one of the bureaus of this department. Now, while the work of industrial rehabilitation is nominally under the jurisdiction of the Board of Vocational Education, it is, in reality, under the jurisdiction of the Industrial Accident Board. The experience of nearly two years in handling the work has demonstrated the wisdom of the transfer. A large percentage of the cases for rehabilitation grow out of industrial accidents. When the administration of rehabilitation and compensation is carried on in the same department, it is possible to make one activity co-operate with the other to the advantage of both. Likewise, it is much easier for those concerned with rehabilitation work to find and classify the persons subject to the provisions of the act where such work can be carried on in conjunction with compensation administration, so that the records of one activity are available to the other.

Extent of Rehabilitation Field.

Industrial rehabilitation is predicated upon the theory that it is better for the state to take cripples and those who have been permanently impaired in life and train them for some vocation through which they will be enabled to earn their own livelihood than to permit these unfortunates to drift with the tide and become charges upon charity. This work will be beneficial to society as a whole and economically sound, if the cost of training and placing those who have been disabled is less than the burden society would bear if these were not trained and fitted to again engage in gainful occupation. No figures are available and no one can say with certainty what it costs the public in Montana to care for those who, through accident or otherwise, have been so crippled that they are unable to care for themselves. The activity of two years in this bureau has shown that the number of those who are now so crippled or maimed as to be partially or wholly dependent is much greater than the average person realizes. Up to the close of the fiscal year three hundred forty-one cases had been handled. There is no question but what this number could have been multiplied several times had the bureau been organized with sufficient personnel to handle the work, and financed with adequate funds to carry it on. Rather, however, than conduct a general canvass to obtain new cases, it was felt to be better policy to start in a small way, accept only those cases of undoubted merit and prove by test the value of the work.

It is, likewise, difficult to estimate the number of cases that will be presented to the bureau in the future. Without solicitation of any kind, without publicity and without taking account of all industrial accident cases that could be turned over for rehabilitation, the number of applicants for training and placement is constantly increasing.

The work of the bureau is under the direct charge of Mr. Lloyd Henry, as Civilian Agent, assisted by Miss Fannie Cook, as Field Agent, and Miss Helen Grohrbugge, as Clerk. The number of rehabilitation cases successfully handled by this small organization is larger than that credited to any similar rehabilitation organization in the United States. The accomplishment is the result of day and night work that has taken no account of Sundays or holidays.

Nature of the Work.

The work, as so far carried on, consists quite as much in giving moral help and advice to unfortunates as it does in extending financial aid. The policy pursued in the business of industrial rehabilitation is quite the reverse of that pursued by the Federal government in army rehabilitation. It is only a fractional part as costly. In army rehabilitation, applicants for training are given sufficient financial help so that they depend almost wholly on the government for support and for education. In industrial rehabilitation, the applicants must depend largely upon themselves for financial support and are given only sufficient help to permit them to obtain training so that they may make a decent livelihood. In army rehabilitation, applicants are sent to

school for courses of one, two, three or four years almost wholly at Federal expense, while in industrial rehabilitation only sufficient help is extended to permit the applicant to get the necessary training, pro vided he uses every resource at his own command.

In some cases the funds available for the work are used to pay tuition, procure text books or pay for private instruction. They are not used to defray the living cost of the trainee. In a great many cases no money is spent on schooling at all. For instance, a man who has been engaged in common labor all his life suffers an injury to his lower extremities, which makes it impossible for him to walk or get around, except in a wheel chair or with the aid of crutches. He probably has little education and is not fitted to perform any work other than common labor. The rehabilitation agent goes over his case carefully, delves into his family history, inquires about his past occupations, consults former employers, gains from the man himself some idea of his inclination for work and finally determines that the man can be fitted to engage in the trade of shoemaking, at which occupation he is not required to walk and which requires no education and but little mechanical skill. Having determined upon this and persuaded the applicant to take up this line of work, the rehabilitation agent must then find a place where the unfortunate can procure the necessary training. He proceeds to search for some shoemaker's shop where the applicant can be apprenticed for a number of months. He learns how much it will cost the applicant to live during his period of apprenticeship and then exercises his resources to provide sufficient revenue for this purpose.

Usually, the master shoemaker will pay something in the way of salary. Sometimes the Board of County Commissioners will help out. It may be that the applicant has relatives or friends that will put up a little money monthly for a stated period of time. Perhaps the applicant is on the compensation roll and the compensation payments he has coming can be diverted to the purpose of helping him get the necessary training. Every possible resource is exhausted to the end that no draft be made on the industrial rehabilitation fund. If sufficient money is not obtainable from other sources, the fund is then called upon for moderate contributions to help out. During the applicant's course of training, the rehabilitation agent keeps in close touch with both him and his employer. He is constantly urged to make the most of his opportunity. He is always made to feel that he is largely on his own resources so that he will not give up and fall back solely upon charity. In the majority of cases, patient handling and a little encouragement and help extended in the proper way and at the right times will develop in the trainee a spirit of hopefulness and self confidence so that he will make good, complete his course of training, and become a member of the craft to which he has been apprenticed.

In some cases, time discloses that help to the applicant is of no avail; that his normal stamina is not sufficient and the expenditure of energy and money in his behalf is useless. Such cases are necessarily taken from the rolls and disposed of to whatever advantage may be best under the circumstances. In a good many cases, the applicant cannot be induced to accept the opportunity that is provided. Such cases are closed after every reasonable effort to help has been made.

More than a hundred lines of activity are available to those who have suffered physical disability. A difficult and tedious part of the work is to determine upon the line in which the applicant can best engage. His own inclination must be followed where possible, since men cannot be successfully trained to do work in which they are not interested. Correspondence school courses that will fit applicants to become bookkeepers, accountants, stenographers, proof-readers, draftsmen or other professions which do not require excessive physical exertion are available to those who have inclinations for these lines of work and who have sufficient education upon which to base such a course. Other men can be trained to become poultryraisers or bee-keepers. Some are adapted

to certain forms of mechanical work such as cabinet making, armature winding, clock repairing, etc. The blind may be taught basket weaving, typewriting, piano tuning, or the profession of osteopathy.

Each case presents a problem in itself. No two can be handled in the same way. The human equation is always present and success in the work depends upon infinite patience, the endless exercise of tact and abundant resourcefulness.

Work Accomplished.

The following tabulations give some idea of the accomplishment during the past two years and convey some impression as to the primary features of the cases handled.

Applications Received and Registered.

	1921-22	1922-23	Total
Male	126	72	198
Female	18	9	27
Total	144	81	225

Origin of Disability.

Employment accident	68	36	104
Public accident	17	19	36
Disease	49	17	66
Congenital	10	9	19
Total	144	81	225

Nature of Disability.

Hand	15	7	22
Hands	4	....	4
Arm	7	11	18
Arms	2	....	2
Leg	17	25	42
Legs	1	....	1
Multiple	24	13	37
Vision	25	6	31
Hearing	2	4	6
General debility	46	14	60
Miscellaneous	1	1	2
Total	144	81	225

Previous Schooling.

None	1	1	2
1st to 6th grade	15	13	28
7th to 9th grade	97	41	138
10th to 12th grade	24	24	48
Other	7	2	9
Total	144	81	225

Status of Cases June 30, 1923.

Registered, pending further disposition	20
In school training	47
In employment training	17
Other (received some service)	31
Total live cases	115
Cases closed 1922-1923	93
Cases closed 1921-1922	17
Total	225

Closed Cases

Male	16	85	101
Female	1	8	9
Total	17	93	110

Final Disposition of Cases.

Rehabilitated by placement	6	11	17
Rehabilitated after school	1	15	16
Rehabilitated after employment training	2	24	26
Rehabilitation rejected by applicant	7	30	37
Not susceptible	....	11	11
Died	1	2	3
Total	17	93	110

Cost of Work.

The following financial statement shows the money available for the work and the funds expended during the period:

	1921-1922		1922-1923	
Federal funds available by allotment	$ 5,213.96		$ 5,213.96	
State funds available by appropriation	10,000.00		10,000.00	
Funds from private sources	2,935.00		6,396.00	
Federal funds expended		$ 3,785.94		$ 5,200.01
Federal funds returned		1,428.02		13.95
State funds expended		3,819.93		10,000.00
State funds returned		6,180.07		.....
Private contributions expended		2,935.00		6,396.00
	$18,148.96	$18,148.96	$21,609.96	$21,609.96

Lump Sum Settlements.

The law gives the Board power to decree whether the compensation payments shall be made monthly or whether all the liability for payment shall be discharged by a lump sum settlement in cases where the total liability for payment can be determined in advance. It was, undoubtedly, the purpose of the Legislature that payments should be made in a lump sum only when the best interest of the claimant can be served thereby. In accordance with such theory, the Board has adhered to the policy of granting whole or partial lump sum settlements only in cases where the claimant has outstanding indebtedness which he is unable to otherwise pay, in cases where extra money is needed to provide schooling for children, in cases where the claimant resides in or desires to move to a foreign country, and in exceptional cases where the claimant can show that he can invest the money with safety and so that it will earn in excess of five per cent per annum interest. Lump payments are computed by the following standard table.

Table of Present Worth Values.

The following table gives the present value of any number of one-dollar future weekly payments discounted at 5 per centum annually.

NOTE—The present value of any larger sum may be found by multiplying the tabular figure by such sum.

First 52 Weeks.

Weeks		Weeks		Weeks		Weeks	
1	$ 0.999	14	$ 13.900	27	$ 26.644	40	$ 39.233
2	1.997	15	14.886	28	27.617	41	40.195
3	2.995	16	15.871	29	28.590	42	41.157
4	3.990	17	16.855	30	29.562	43	42.117
5	4.986	18	17.838	31	30.534	44	43.077
6	5.980	19	18.820	32	31.504	45	44.035
7	6.973	20	19.801	33	32.473	46	44.993
8	7.966	21	20.781	34	33.442	47	45.950
9	8.957	22	21.761	35	34.409	48	46.906
10	9.948	23	22.739	36	35.376	49	47.861
11	10.937	24	23.717	37	36.341	50	48.815
12	11.926	25	24.693	38	37.306	51	49.769
13	12.913	26	25.669	39	38.270	52	50.721

Second 52 Weeks.

Weeks		Weeks		Weeks		Weeks	
53	$ 51.673	66	$ 63.966	79	$ 76.115	92	$ 88.125
54	52.623	67	64.905	80	77.044	93	89.043
55	53.573	68	65.844	81	77.972	94	89.960
56	54.522	69	66.782	82	78.899	95	90.877
57	55.471	70	67.719	83	79.825	96	91.792
58	56.418	71	68.655	84	80.751	97	92.707
59	57.364	72	69.591	85	81.675	98	93.621
60	58.310	73	70.525	86	82.599	99	94.535
61	59.255	74	71.459	87	83.522	100	95.447
62	60.199	75	72.392	88	84.444	101	96.359
63	61.142	76	73.324	89	85.366	102	97.270
64	62.084	77	74.255	90	86.286	103	98.180
65	63.025	78	75.186	91	87.206	104	99.089

Third 52 Weeks.

Weeks		Weeks		Weeks		Weeks	
105	$ 99.998	118	$111.737	131	$123.346	144	$134.826
106	100.906	119	112.635	132	124.233	145	135.704
107	101.812	120	113.531	133	125.120	146	136.582
108	102.719	121	114.427	134	126.006	147	137.458
109	103.624	122	115.323	135	126.892	148	138.334
110	104.529	123	116.217	136	127.776	149	139.209
111	105.432	124	117.111	137	128.660	150	140.083
112	106.335	125	118.004	138	129.543	151	140.956
113	107.238	126	118.896	139	130.426	152	141.829
114	108.139	127	119.788	140	131.307	153	142.701
115	109.040	128	120.678	141	132.188	154	143.573
116	109 940	129	121.568	142	133.068	155	144.443
117	110.839	130	122.457	143	133.948	156	145.313

Fourth 52 Weeks.

Weeks		Weeks		Weeks		Weeks	
157	$146.182	170	$157.416	183	$168.529	196	$179.526
158	147.051	171	158.275	184	169.379	197	180.367
159	147.918	172	159.133	185	170.229	198	181.207
160	148.785	173	159.991	186	171.077	199	182.047
161	149.652	174	160.848	187	171.925	200	182.886
162	150.517	175	161.704	188	172.773	201	183.725
163	151.382	176	162.560	189	173.619	202	184.562
164	152.246	177	163.415	190	174.465	203	185.399
165	153.109	178	164 269	191	175.310	204	186.236
166	153.972	179	165.122	192	176.155	205	187.072
167	154.834	180	165 975	193	176.999	206	187.907
168	155.695	181	166.827	194	177.842	207	188.741
169	156.556	182	167.679	195	178.684	208	189.575

Fifth 52 Weeks.

Weeks		Weeks		Weeks		Weeks	
209	$190.408	222	$201.177	235	$211 837	248	$222.388
210	191.240	223	202.001	236	212.652	249	223 195
211	192.072	224	202.824	237	213.467	250	224.002
212	192.903	225	203.647	238	214.281	251	224.808
213	193.733	226	204.469	239	215.094	252	225.613
214	194.563	227	205.290	240	215 907	253	226.418
215	195.392	228	206.110	241	216.720	254	227.222
216	196.220	229	206.930	242	217.531	255	228.026
217	197.048	230	207.750	243	218.342	256	228.829
218	197.875	231	208.568	244	219.153	257	229.631
219	198.702	232	209.386	245	219 963	258	230.433
220	199.528	233	210.204	246	220.772	259	231.234
221	200.353	234	211.020	247	221.580	260	232.034

Sixth 52 Weeks.

Weeks		Weeks		Weeks		Weeks	
261	$232.834	274	$243.176	287	$253.417	300	$263.558
262	233.633	275	243 967	288	254.200	301	264.334
263	234.432	276	244.758	289	254.983	302	265.109
264	235.230	277	245 548	290	255.766	303	265.884
265	236.027	278	246.338	291	256.547	304	266.658
266	236.824	279	247.127	292	257.329	305	267.432
267	237.620	280	247.915	293	258.109	306	268 205
268	238.415	281	248.703	294	258.889	307	268.978
269	239.210	282	249.490	295	259.669	308	269.750
270	240.005	283	250.276	296	260.448	309	270.521
271	240.798	284	251.062	297	261.226	310	271.292
272	241.592	285	251 848	298	262.004	311	272.062
273	242.384	286	252.632	299	262.781	312	272.832

Seventh 52 Weeks.

Weeks		Weeks		Weeks		Weeks	
313	$273.601	326	$283.549	339	$293.402	352	$303.164
314	274.370	327	284.310	340	294.156	353	303.911
315	275.138	328	285.071	341	294 910	354	304.657
316	275.905	329	285.831	342	295.663	355	305.403
317	276.672	330	286.590	343	296.415	356	306.149
318	277.438	331	287.350	344	297.167	357	306.894
319	278.204	332	288.108	345	297.919	358	307.638
320	278.969	333	288.866	346	298.670	359	308.382
321	279.734	334	289.623	347	299.420	360	309.125
322	280.498	335	290.380	348	300.170	361	309.868
323	281.261	336	291.137	349	300.919	362	310.611
324	282.024	337	291.892	350	301.668	363	311.352
325	282.787	338	292.648	351	302.416	364	312.094

Remaining 36 Weeks.

Weeks		Weeks		Weeks		Weeks	
365	$312.834	374	$319.477	383	$326.078	392	$332.638
366	313.575	375	320.213	384	326.809	393	333.364
367	314.314	376	320.948	385	327.540	394	334.090
368	315.053	377	321.682	386	328.270	395	334.815
369	315.792	378	322.416	387	328.999	396	335.540
370	316.530	379	323.150	388	329.728	397	336.264
371	317.268	380	323.883	389	330.456	398	336.988
372	318.005	381	324.615	390	331.184	399	337.711
373	318.741	382	325.347	391	331.911	400	338.434

Date Due

L. B. Cat. No. 1137

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